Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of

Petition of BellSouth Telecommunications, Inc. For
Forbearance Under 47 U.S.C. 160(c)
From application of Sections 251(c)(3), (4),
and (6) In New-Build, Multi-Premises Developments

CC Docket No. WC 03-220

BELLSOUTH'S PETITION FOR FORBEARANCE UNDER 47 U.S.C. 160(c) IN NEW-BUILD, MULTI-PREMISE DEVELOPMENTS

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BellSouth Telecommunications, Inc. ("BellSouth") hereby petitions the Commission, pursuant to Section 10 of the Communications Act of 1934, as amended[1] ("Act"), to forbear from applying sections 251(c)(3), (4) and (6) to the BellSouth facilities used exclusively to serve New-Build, Multi-Premise Developments and to the services provided over such facilities to the end users located in such developments.[2]

I. SUMMARY AND BACKGROUND

Presently, BellSouth is aware of 109 separate residential and commercial developments within its nine-state region where BellSouth is unable to provide retail telecommunications services, because the developers have reached agreements with other competitive providers. These 109 developments contain a total of approximately 47,299 residential customer locations and 13.3 million square feet of commercial space.

[1] 47 U.S.C. § 160 et seq.

[2] BellSouth is not requesting forbearance from those statutes that apply generally to all telecommunications and local exchange carriers (*e g*, section 251(a)&(b)), nor to the unbundling requirements imposed upon incumbent LECs by section 271. Thus, competitive LECs will continue to have the alternative of reaching end users located in New-Build, Multi-Premise Developments utilizing the facilities of the ILEC.

The number of new developments being served solely by competitive facilities is increasing, especially in light of the growth in residential and commercial development in the southeastern United States. Indeed, industry sources estimate that there will be approximately 490,000 new housing starts within BellSouth's 9 state region during 2003. This figure includes both new single-family residences and new Multi-Dwelling Units ("MDUs"). The majority of such new housing starts will occur within New-Build, Multi-Premise Developments. Additionally, industry sources estimate that new commercial construction within BellSouth's 9 state region will total approximately $36.5 billion for 2003 and approximately $37.8 billion for 2004.

Because BellSouth has no inherent advantage over its competitors when negotiating the right to install facilities, or in actually installing facilities, within New-Build, Multi-Premise Developments, and because certain statutory and regulatory requirements make it very difficult for BellSouth to compete effectively for access in such situations, BellSouth files this petition.

By New-Build, Multi-Premise Developments, BellSouth means newly constructed, multi-subscriber properties, including single-family home subdivisions, Multiple Dwelling Unit (MDU) residential properties, and multiunit premises as defined at 47 C.F.R. §68.105(b), including multi-tenant commercial buildings, mixed use developments, malls, industrial parks and other similar developments where the improvements, including the telecommunications infrastructure, will be new construction. New-Build, Multi-Premise Developments also includes re-developments of existing properties that are undergoing total rehabilitation where the communications facilities and infrastructure are being replaced entirely. For purposes of this petition,

BellSouth refers to all such New-Build, Multi-Premise Developments collectively as "MPDs."

In MPDs, no particular communications provider has an inherent competitive advantage in installing facilities to serve these new customer premises. Indeed, in many instances, telecommunications providers must negotiate with the MPD developer in competition with other providers for the right to install and maintain the infrastructure necessary to provide communications services. The most formal competitive situations may involve a developer's issuance of a request for proposals ("RFP"). Attached as Exhibit "A" is a sample RFP. While the issuance of formal RFPs is atypical, this sample shows the interests and motivations of the developers of MPDs that are typical and cause them to engage in a competitive negotiation process (whether formal or informal) with communications providers.

The attached RFP seeks a "telecommunications partner [to] provide both the infrastructure and the ongoing delivery of co-marketed telecommunications services to all commercial and residential subscribers in the community....Telecommunications services should include, but not be limited to, voice services, video services, and high-speed data services." RFP at 3. The provision of local telephone service is only a "threshold" requirement. RFP at 3. Pages 11-14 of the RFP list a broad array of voice, video, data and Internet services to be provided to residential, commercial/business and community customers by the telecommunications partner or other service provider partners.

Because all communications providers stand on equal footing when negotiating the installation of facilities and provision of services in these MPDs, any facilities

installed or services provided by an incumbent LEC, such as BellSouth, in such a Development should not be subjected to disparate regulation under the 1996 Act.[3]

Moreover, the facts and analysis recently relied upon by the Commission in concluding that competitive LECs are not impaired without unbundled access to fiber-to-the-home ("FTTH") loops in New-Build ("Greenfield") situations fully support the limited forbearance relief requested herein.[4]

In reaching its decision regarding FTTH, the Commission concluded that incumbent LECs lack any first-mover advantages in greenfield scenarios and that competitive LECs are currently leading the overall deployment of FTTH loops. This analysis provides even further support for the fact that competitive providers are on equal footing with the incumbents when it comes to installing communications infrastructure in MPDs. *See id.* at ¶ 275. Indeed, the Commission notes that such competitive providers may actually have an advantage in greenfield scenarios due to cheaper labor costs. *See id* at n. 808.

II. CERTAIN PARTS OF SECTION 251(c) DISCOURAGE INSTALLATION OF THE MOST ADVANCED COMMUNICATIONS INFRASTRUCTURE IN MPDs

A. Section 251.

Section 251(c) imposes special obligations on incumbent LECs. Section 251(c)(3) provides for unbundled access to elements of the incumbent's network at TELRIC prices. Section 251(c)(4) requires resale of telecommunications services at

[3] By seeking forbearance from the application of specific provisions of the Act, BellSouth is not requesting the authority to enter into exclusive facilities arrangements with any MPD developer. *See* 47 C.F.R. § 64.2500.

[4] *See* Report and Order and Order on Remand and Further Notice of Proposed Rulemaking, *In the Matter of Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers*, CC Docket No. 01-338 (rel. Aug. 21, 2003) ("*Triennial Review Order*"), ¶¶ 272-75.

mandated discounts. Section 251(c)(6) requires collocation at the premises of an incumbent LEC. These provisions were intended to provide other carriers access to existing incumbent LEC networks and customers.

It is not surprising that these special incumbent LEC obligations undermine the incentives of carriers to install and operate new telecommunications infrastructure in MPDs. Instead, in most instances, the developer seeks to maximize competition among multiple companies for the business opportunity represented by the MPDs.

The section 251(c) obligations set out above reduce the incentives of *all* prospective providers of communications services to compete vigorously with one another to offer the most attractive and innovative package of services to an MPD developer. These obligations reduce the incumbent LEC's incentive and ability to compete, because other providers can lease the discrete elements of any MPD facilities that the incumbent LEC installs or obtain the retail telecommunications services of the incumbent LEC at government-mandated discounted rates. Other providers also have less incentive to compete aggressively, given that the section 251 obligations set out above provide them with a "safety net" if they do not install facilities. That is, if the incumbent LEC does install facilities in the MPD, other providers can simply use the incumbent LEC's network to deliver the services sought by the developer at heavily subsidized rates, while avoiding the risk of investing in facilities of their own.

With these regulatory distortions, incumbent LECs are unable to compete on an equal footing for the right to install facilities in MPDs. The section 251(c)(6) collocation requirement, and the accompanying Commission rules also raise the costs for incumbent

LECs by forcing them to design infrastructure that allows for collocation, even in MPD situations.[5]

By forbearing from the requirements of section 251(c)(3) as requested, BellSouth would not be required to unbundle and provide to any requesting carrier at TELRIC prices any network element used exclusively to serve end user customers in MPDs. By forbearing from the requirements of section 251(c)(4) as requested, BellSouth would not be required to offer any retail telecommunications services to competitive LECs at the government mandated discounts for such LECs to offer to customers located in MPDs. By forbearing from the requirements of section 251(c)(6), BellSouth would not be required to provide physical or virtual collocation space to any competitive LEC in any BellSouth premises used exclusively to serve end user customers in MPDs, such as remote terminals.

III. LIMITED FORBEARANCE IN MPDs IS WARRANTED

The present regulatory disparity that distorts the incentives of qualified providers when negotiating to install facilities in MPDs should be removed by the Commission exercising its Section 10 forbearance authority. Forbearance from section 251(c)(3), (4) and (6) in cases of MPDs would lead to more robust competition between telecommunications providers that would benefit residential and commercial real estate developers and, ultimately, provide higher quality and more affordable telecommunications services for the consumers and businesses that will occupy these new developments.

[5] This disincentive only penalizes incumbent LECs and, of course, the developer and the ultimate buyers/renters who are denied the benefits of a fully competitive process. If a company other than the incumbent successfully negotiates the right to install the telecommunications infrastructure, that company is under no obligation to un-bundle its network facilities, resell at government-set discounts or provide for collocation.

Section 10(a) of the Act requires the Commission to forbear if the three-prong test of section 10 is satisfied. The Commission must grant forbearance if: (1) enforcement of the regulatory requirements set out above is not necessary to ensure that the charges, practices, classifications, or regulations associated by, for, or in conjunction with that telecommunications carrier or service are just and reasonable and not unjustly or unreasonably discriminatory; (2) enforcement is not necessary to protect consumers; and (3) forbearance is consistent with the public interest.

Section 10 provides further that in making the determination under subsection (a)(3), the Commission shall consider whether forbearance from enforcing the provision or regulation will promote competitive market conditions, including the extent to which such forbearance will enhance competition among providers of telecommunications services. If the Commission determines that such forbearance will promote competition among providers of telecommunications services, that determination may be the basis for a Commission finding that forbearance is in the public interest.[6]

Further, section 10 provides that the Commission may not forbear from applying the requirements of section 251(c) or 271 until it determines that those requirements have been fully implemented.[7] The Commission has previously determined that BellSouth has fully implemented the requirements of section 251, 252 and 271 in its entire nine (9) state service territory.[8] 47 U.S.C. § 271 (d)(3)(A)(i). Each of the 9 relevant state commissions

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[6] 47 U.S C. 160(b).

[7] 47 U.S.C 160(d).

[8] *In the Matter of Joint Application by BellSouth Corporation, BellSouth Telecommunications, Inc., And BellSouth Long Distance, Inc. for Provision of In-Region, InterLATA Services in Georgia and Louisiana,* CC Docket No. 02-35, Memorandum Opinion and Order (rel. May 15, 2002); *In the Matter of Joint Application by BellSouth Corporation, BellSouth Telecommunications, Inc., And BellSouth Long Distance, Inc for Provision of In-Region, InterLATA Services in Alabama, Kentucky, Mississippi, North Carolina, and South Carolina,* WC Docket No. 02-150, Memorandum Opinion and Order (rel. September 18, 2002); *In the Matter of Application by BellSouth Corporation, BellSouth Telecommunications, Inc., and BellSouth*

has implemented the statutes and Commission regulations in state arbitrations and other proceedings.

Forbearance from the requirements of these specific sections is required if the three conditions stated in subsection (a) are met. As shown below, BellSouth meets all three prongs of the inquiry, necessitating the Commission's forbearance from enforcing the requirements of sections 251(c)(3), (4) and (6) to the facilities installed by BellSouth in MPDs and the services provided over such facilities to end users located in the MPDs.

A. Enforcement of The Requirements Set Out Above Is Not Necessary To Ensure That Rates and Practices Are Just and Reasonable and Not Unjustly or Unreasonably Discriminatory.

Enforcement of the requirements set out above is not necessary to ensure that any rates or practices associated with BellSouth's provision of service in MPDs are just, reasonable, and nondiscriminatory.

The real estate developer has every reason to seek the best combination of price and quality from competing suppliers of telecommunications services because being able to offer a broad array of high-quality communications services at attractive prices is a key differentiator in the competitive real estate market. This is precisely why developers pursue a competitive process, whether formal or informal. Forbearing from enforcing the regulatory requirements set out above will lead to a more competitive negotiation process, and is likely to lead to even more attractive price and service packages for the public.

In addition, a broad array of federal and state regulatory requirements will remain as additional guarantees that if the incumbent LEC successfully negotiates the installation

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Long Distance, Inc , for Authorization To Provide In-Region, InterLATA Services in Florida and Tennessee, WC Docket No. 02-307, Memorandum Opinion and Order (rel. December 19, 2002).

of facilities in MPDs, its rates and practices will be just, reasonable and nondiscriminatory. For example, the requirements of 251(a) and (b), the remainder of 251(c), as well as sections 201-205 are unaffected. Further, those MPD network elements that the Commission removes from the section 251 unbundling requirement, and thus are not required to be provided to competitive carriers at the TELRIC rates promulgated under section 252, would continue to be subject to the unbundling requirements of section 271. Finally, existing state retail rate and service regulation will not be affected.

Thus, even with the limited forbearance that BellSouth requests, any MPD facilities that BellSouth installs will nevertheless continue to be subjected to a greater degree of regulation than the facilities installed by any competing provider.

B. Enforcement Is Not Necessary To Ensure That Consumers Are Protected.

The second prong of the forbearance test requires the Commission to determine that "enforcement is not necessary for the protection of consumers."[9] For the same reasons set forth in Section III.A, enforcement of the discrete requirements for which BellSouth seeks forbearance in MPDs is unnecessary for the protection of the consumers that will be located in such developments.

Developers have every incentive to ensure that the consumers are satisfied with the communications services and prices available in MPDs. A consumer will decide whether to locate in a particular development based on that consumer's own needs and the extent to which that development meets the consumer's needs. The developers that understand the needs of their targeted consumer base will ensure that such needs are met

[9] 47 U.S.C. § 160(a)(2).

when negotiating with providers for the installation of communications infrastructure and the subsequent provision of service.

C. Forbearance Will Serve the Public Interest.

The third prong of the forbearance standard requires the Commission to determine whether the requested forbearance is "consistent with the public interest."[10] In making that determination, the Act requires the Commission to "consider whether forbearance ... will promote competition among providers of telecommunications services."[11] Without question, the requested forbearance will promote competition. All carriers will have a greater incentive to participate more vigorously in the competitive process for installation of telecommunications infrastructure in MPDs. This more robust competition will ultimately translate into better prices and packages of advanced telecommunications services and more investment by more companies in more advanced technologies allowing greater innovation in service offerings. This will certainly promote the pubic interest.

IV. CONCLUSION

For all of the reasons discussed herein, the Commission should forbear from applying the requirements of sections 251(c)(3), (4) and (6) to any facilities installed by BellSouth in MPDs, as well as to any services provided over those facilities. Section 10 requires the Commission to forbear from applying a regulation if it determines that three

[10] 47 U.S.C. § 160(a)(3).
[11] 47 U.S.C § 160(b).

criteria have been met. BellSouth has demonstrated that each of those criteria is satisfied in this instance.

Respectfully Submitted,

BELLSOUTH TELECOMMUNICATIONS, INC.

By its Attorneys,

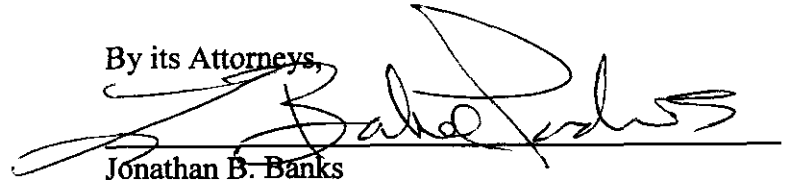

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EXHIBIT "A"

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1.0 OVERVIEW

Newland Communities is currently developing a Technology Master Plan for the Sterling on the Lake Community. Sterling on the Lake is located in the City of Flowery Branch, Hall County, Georgia.

This process includes the assessment of current infrastructure and network facilities, the identification of local, regional, and global telecommunications services, enactment of low voltage Structured Wiring Guidelines, the development of a community network (often referred to as an "intranet"), and the identification of potential network service providers/partners.

As discussed in detail in the Technology Master Plan Overview section of this document Newland Communities intends to empower its homes, offices, retail outlets, schools, and public facilities with an advanced digital broadband telecommunications network to create a distinction for that community.

As such, Newland Communities is soliciting interest from telecommunications companies seeking an opportunity to specify, design, and construct a network infrastructure and provide co-marketed services to Sterling on the Lake, a master planned development in Atlanta, GA.

Newland Communities has engaged the services of The Broadband Group, the architect of the Sterling on the Lake Technology Master Plan, to facilitate and administer this competitive partnering selection process.

While Newland Communities' and The Broadband Group's consulting engagement activities are primarily focused within the boundaries of the Sterling on the Lake project, service providers can view their opportunity as encompassing the entirety of the surrounding Atlanta area which is and will continue to be an area of significant development. The Technology Master Plan includes a carefully crafted and executed technology marketing program. Coupled with a scalable, technologically-advanced network infrastructure envisioned for Sterling on the Lake this marketing plan drives increased penetrations and revenues for the partner service provider. This network at Sterling on the Lake could then serve as a springboard for service to additional homes in the area.

1.1 Purpose & Background

This document is intended to outline the Technology Master Plan process and envisioned services, and to solicit interest in providing co-marketed network services from qualified service providers to the Sterling on the Lake Community described herein. Our intent is to open negotiations between Newland Communities, The Broadband Group, and interested providers.

The telecommunications partner will provide both the infrastructure and the ongoing delivery of co-marketed telecommunications services to all commercial and residential subscribers in the community on an as needed basis. Telecommunications services should include, but not be limited to, voice services, video services, and high-speed data services. As an essential element of provisioning telecommunications services, the selected candidate will be responsible for all aspects of customer care such as maintenance, repair, billing, customer service, etc.

Service subscribers will be primarily residential, in a combination of detached and attached buildings located entirely within the boundaries of the Sterling on the Lake Community. Access to world-class telecommunications technology is a foundational component for realizing the vision for Sterling on the Lake. While local telephone service is a threshold requirement, the objective of the Sterling on the Lake Community is to participate with and feature an entity capable of providing as many telecommunications services as possible to its residents and tenants.

1.2 Overview of Potential Co-Marketed Services

The selected service provider(s) will serve as a Featured Provider, and have an opportunity to be part of a coordinated, community-wide services infrastructure integrated through Newland Communities.

Newland Communities extends this potential opportunity to a variety of interested entities and firms, including classic telecommunications service providers, and new media information services providers. Featured Providers may offer services in one or more of the following categories: voice, video, data, wireless, community network, energy/telemetry/security and home control and management.

Interested providers should consider a variety of potential service provider relationships applicable to, but not exclusively limited to, one or more of the above services. An appropriate response need not follow traditional investment, operational, and regulatory constraints. Direct investment and management, partnering, and/or related strategies for enactment are encouraged.

1.3 Marketing/Partnership Opportunities

The advanced nature of the intended telecommunications services are a key aspect of the overall value proposition for both residential and commercial residents, and are expected to have a direct impact on the acceptance of the telecommunications products.

The provider should outline what strategies would be followed to define, position, market, and publicize telecommunications services and products available in the Sterling on the Lake Community. In addition, the provider should discuss how marketing efforts are to be evaluated and measured against performance metrics, to ensure that the marketing efforts meet the mutual sales needs of the Sterling on the Lake Community and its telecommunications services provider.

It is the intention of Newland Communities to enter into a partnership with (most likely) one service provider for voice, video, and data services and to jointly market such services with the sale of each home and in conjunction with residential and commercial sales and leasing.

1.4 Newland Communities Marketing Goals

Newland Communities has certain goals and objectives in co-marketing targeted telecommunications and technology services:

- To create a regionally recognized brand for telecommunications products, applications, technologies and services.
- To enhance the profitability of home sales and leasing.
- To increase the velocity of home sales.
- To differentiate The Sterling on the Lake Community by creating a suite of consumer valued technology services.
- To reflect a community wide commitment to technology.
- To be easily recognized as "high tech" by all community members.
- To be considered a "value-add" amenity/feature in purchase decision.
- To lead industry and technology trends.

1.5 Newland Communities Partnership Options

Newland Communities believes that it is appropriate to retain certain options:

- To lease/purchase fiber and non-fiber bandwidth from the telecommunications service provider on favorable terms.
- To obtain hardware and services from the telecommunications service provider at discounted rates.
- To secure agency, revenue share, and/or commissions for products and services marketed or endorsed exclusively by Newland Communities

All such marketing will be on a Featured Provider basis and cannot disenfranchise other competing service providers holding the legal status to deliver services to Sterling on the Lake.

Newland Communities understands recent regulatory decisions enable cross ownership and product bundling and packaging. In addition, Newland Communities recognizes the obligation for equal and fair access consistent with FCC, state, and local government regulations. Newland Communities will, however, enter into certain Featured Provider Agreements with the Featured Provider that may facilitate the purchase of services on a universal basis, or that may coordinate with the umbrella marketing services of the community.

2.0 STERLING ON THE LAKE

2.1 About Newland Communities

The most popular and desirable new homes today are being built within master-planned communities, creating a strong demand nationwide for Newland's experience and expertise.

Buyers who choose to live in a master-planned community receive lifestyle features that are carefully integrated into a community plan. The primary differences between these developments and traditional single-family subdivisions are concern with the details of fully integrated project plans and the attractive amenity packages they offer.

A master-planned community is literally designed from the ground up. Starting with a parcel of raw land, Newland creates a plan that takes advantage of the most aesthetic layout of the land's contours, incorporates natural features, assures compatibility of architectural styles, and demonstrates concern for personal safety and ease of resident movement. Plans may include schools, libraries, green belts and parks, hiking and biking trails, recreational facilities such as swimming pools, tennis courts and play areas, golf courses, and shopping.

Newland attributes its success to a strategy and corporate culture that adhere to our Mission, a philosophy that has guided the company and allowed us to remain consistently profitable throughout the ups and downs of the residential real estate development cycles of the past three-and-a-half decades.

Newland's mission is to:

- develop and manage land development projects with product and geographic diversity,
- manage risk and optimize reward, and
- create projects with high values and strong cash flows

Careful and disciplined implementation of this Mission has allowed Newland to provide thousands of lots for homes in the most economically desirable regions of the United States. Over the past 30 years, Newland has built over 50 communities. Each one has become a thriving environment in which people live, work, and play, while producing high values, strong cash flows, and excellent returns for Newland Communities and its investment partners.

2.2 Project Location

Sterling on the Lake is a master-planned community located in the favored northeast quarter of the greater metropolitan area of Atlanta, Georgia in Hall County. It is located immediately off of Interstate 985, two miles east on Exit 12 (Sprout Springs Road) in the city of Flowery Branch, Georgia.

2.3 General Description

When completed, Sterling on the Lake will feature approximately 1,521 single-family detached homes; it has not yet been determined if multi family / attached homes will be offered (if offered they would be of the town-home or condominium unit variety). Sterling on the Lake will offer a variety of home styles designed to meet the needs of people at every stage of their lives. Situated along quiet, tree-lined streets where grade changes are treated with small walls and landscape treatments instead of slopes. Sterling will feature homes designed in architectural variations of traditional designs with verandas and porches.

Total Acreage	894
Residential Acreage	680+/-
Commercial Acreage	10+/-
Retail Acreage	6+/-
Amenity Acreage	16+/-
Open Acreage	Open space 180+/-
Industrial Acreage	N/A

2.4 Amenities

The Village Center will include a clubhouse with exercise and meeting facilities, swimming pools, a boathouse and picnic areas, an outdoor gathering area for community concerts or other entertainment, and a small retail area.

There will also be 2 other recreational areas with pools and tennis courts strategically located within the community.

Numerous parks will be located throughout, including waterfront parks abutting the three lakes in the community (the largest being 42 acres) and a trail system with a variety of surfaces to allow for hiking and biking. The overall gently rolling topography has a nice mixture of forested and fielded sites with many steams and waterfalls

The residents will also have a Community Intranet to assist them in organizing various clubs and organizations for special interests. Some of them might be: Boy Scout & Girl Scout Troops, Tennis Association, Ladies' Bridge Club; Lions Club, Lioness Club, Newcomers Club, baby sitting club and other groups as the residents form organizations that reflect the varied interests of the home owners.

Community Parks	Small Parks at Main Lake
Tot Lots	At swim / tennis amenity areas
Community Pools	One at main amenity area and 2 more at swim / tennis
Clubhouse Building	At main Amenity Area (Village Center)
Tennis Courts	8-12 ALTA Tennis Courts
Walling Trails	Around main lake & certain greenbelt areas
Bike Path	Sidewalks along main collector and internal streets
Library	Possible as future use of on-site information center
Hospital	N/A – nearest hospital 11.2 miles
Public Schools	N/A – elementary school ¼ mile, middle school & high school 2 ½ miles

*NOTE: All amenities above are in preliminary planning stage

2.5 Absorption Schedule

Units Added	Single Family Detached Units	Commercial Footage
2004	100	
2005	224	11 acres
2006	250	5 acres
2007	366	
2008	263	
2009	218	
2010	100	
Totals	1521 Homes	16 Commercial Acres

2.6 Status of Overall Entitlements

- Zoning in Place, Concept Plan Approved
- Neighborhood Entitlements Require Preliminary Plat Approvals
- Construction Plan Approval by City
- Easements/ Rights-of-Way are all Public

2.7 Key Dates

Base Infrastructure Start Date	03/03
Section Grading/Infrastructure	05/03
Backbone & Joint Trench Planning	05/03
Wet Utilities Placement	08/03
Model Start Date	08/03
Backbone & Joint Trench Construction	11/03
Dry Utilities Placement	11/03
Lot Sales to Builders	11/03 (closings)
Begin Building First Homes	11/03
Model Finish Date	12/03
1st CO	12/03

3.0 TECHNOLOGY MASTER PLAN OVERVIEW

Newland Communities has a vision... that technology will become the economic development driver for the 21st century. Consumers will require broadband access to meet their needs. Newland Communities understands that effective planning today will ensure that technology will extend far beyond the television, the home computer, or the Internet. Properly integrated, technology will sell homes. Newland Communities intends to empower its homes, offices, retail outlets, schools, and public facilities with an advanced digital broadband telecommunications network. Community-wide advanced technology services and applications will bring new business and jobs to the community. Technology will provide great advances in communication and help to facilitate the growth of a strong community. A carefully planned and integrated package of services that deliver beyond the promises of vendors and expectations of consumers is something that will be unique to Sterling on the Lake.

The telecommunications industry is rapidly changing the pace, quality, and personality of our lives. The remarkable convergence of television, telephone, satellites, and personal computers has created a dynamic new world of interactive communications. Our vision is to develop a "hidden" infrastructure that is simply "there," and is effectively the pathway and conduit linking every building and every person in the community. Working together with selected partners, we must ensure that building designs and technology concepts are transformed into an exciting package that exceeds consumers' needs of today and into the future.

Newland Communities intends to address the needs of an interactive, balanced community, where home, office, retail, and commercial needs are met through cooperative planning and centrally managed network strategies. Ranging from advanced business campuses that will incorporate tailored, state-of-the-art telecommunications infrastructure to a broad range of residential and community resources that enable seamless integration of technologies, Sterling on the Lake offers prospective businesses and residents the ability to realize the promise of an electronically interconnected community. This goal will be obtained without the logistics of fitting new technologies to dated physical infrastructures. A strategic (Featured Provider) alliance between Newland Communities and one or more telecommunications service providers should serve as a highly successful platform to create and deliver advanced telecommunication services to the Community.

3.1 Planned Residential Services

Voice Services	Video Services	Data Services
• Narrow Band Telephony • Video Telephony • Video Teleconferencing • IP Telephony • Custom Calling Plans • Integrated Voice Mail • Paging Services • Work-At-Home Resources • Wireless Plan Integration	• Analog TV • Digital TV • Interactive TV • Video On Demand (VOD) • Subscription Video On Demand (SVOD) • Dolby Digital/DTS Enabled Programming • Digital Stereo Audio • High Definition Television (HDTV) • Switched Digital Video • Personal Video Recorder (PVR) / Digital Video Recorder (DVR) • Datacasting • Parental Control Security • Interactive Program Guides (IPG) • Premium Channels • Pay-Per-View • Set Top Box	• High Speed Data • Static IP Addresses • Dedicated Bandwidth • Community-Wide LAN • Community e-Mail • Streaming Audio/Video • Internet Appliances

3.2 Planned Residential Services

Community Network	Energy/Telemetry/Security	Home Networking
• Personalized Portal • Local Community Server • Community Channel • Welcome Wagon • Clubs & Organizations • *Discussion Groups/Forums* • Bulletin Boards (BBS) • Chat Groups • Instant Messaging • Local News, Weather, Maps • Personal & Group Calendaring, Address Book • Event Scheduling • Online Appointments • Personal Home Pages, Photo Album, Self Publishing • Community Concierge • Affinity Services • Managed Customer Profiles • Online Community Newsletter • Online CC&Rs • Select Content Push • Announcements • Classifieds • Garage Sales • Hot Links • Reviews, Polls, Surveys • Volunteer Listings • Secure Voting • "Smart" Directory, Yellow Pages, White Pages • Personal & Business Services • Local Coupons, e-Commerce • Interactive Advertising • Concierge Services, Local Services, Food Services • Warranty & Repair	• Time of Use Pricing • Demand Side Management Applications • Outage Detection • Segregated Billing • *Online Energy Use & Forecast* • Electronic Billing & Payment • Home Automation Applications • Lighting Control • Security Systems • Integrated Control Panels/Remotes • Home Appliances Control • "Home-and-Away" Safety Measures • Access Management • Renewable Security Platforms • Smart Cards (Weigand, Mag Stripe, Proximity) • Community Cards • Intrusion Alarms • Fire Alarms • Remote Video Access/CCTV • Environmental Control • Life Safety • Commercial Photo Badging • Vehicle Control • Visitor Management • Common Area Viewing • Traffic Counting Software • Biometrics • Periodic Occupant Health/Wellness Check • Anomalies Monitoring (sound, water, electrical) • Dispatch Options	• Home Structured Wiring • Home Network • Computer Networking (LAN) • Universal Phone/Data Outlets • Integration With Home Electronics • Home Control/Gateway • Webpad • Wireless Connectivity • Storage Server • Distributed Video • Multi Device Distribution • Whole House Audio • Home Theater • Intercom • Entertainment Servers • Lighting Systems • Special Needs Services/Assisted Living • Smart Appliances • Universal Remote Control •

3.3 Planned Commercial/Business Services

Voice & Video Services	Data Services	Energy/Telemetry/Security
• Narrow Band Telephony • Analog Telephone Service • Digital Telephone Service • Video Telephony • Audio Conferencing • Video Teleconferencing • IP Telephony • Measured Business Line Service (Office Systems, Modems, Fax Lines, Alarm Services, Elevator Phones, and Guard Desks) • Business Trunk Service PBX (DID/DOD/Combination) • Centex Services • SuperTrunk Service • T-1 Line/PowerTrunk • Analog Trunk • ISPRI • Card Services • Primary Rate ISDN Access • 800/888 Services • Advanced Digital Network • AVS Gateway • Broadcast Operations Center • Managed Frame Service • Frame Relay Service • Pay Phone Services • Voice Mail Systems • Call Distribution • Unified Messaging • One Number Service • Remote Call Forwarding • Account Codes • Point-To-Point Local • Point-To-Point Long Haul • Point-To-Point Optical Transport	• High Speed Data • Static IP Addresses • Dedicated Bandwidth • Corporate LAN • Corporate e-Mail • Financial Transactions • Integrated File Sharing • Virtual Private Networks (VPN) • Data Transport	• Online Energy Use By Facility, Device, or Circuit • Online Energy Control & Management • Electronic Billing & Payment • Business Unit Pre-wiring for Security Systems • Security System Powering and Backup • Communications Access (wired and wireless) • Integration with Business Owned Security Platforms and Equipment • Renewable Security Platform (smart cards, etc.) • Integrated Monitoring Points • External (perimeter) Intrusion • Internal Conditional Access Mngmnt and Authorization • Individual Personal Identification (card, hand/finger print, eye, voice) • Fire and Smoke Detection • Sound Level Anomalies • Water (including abnormal flow and pressure) • Power Back-up Systems • Automation for Security • Environmental Management • Energy and Resource Usage Profile Monitoring • Monitoring and Support Services • Alarm Event Screening • Dispatch • Services Coordination • Product Support/Helpdesk

3.4 Planned Community Services

Education	Health Care	Community/Government
<u>Pre K – Grade 12</u> • School Registration • Community Mentor Programs • Teacher Appointments • "Ask-A-Teacher" • Electronic Student Portfolio • Student Absentee Notification • School Lunch Menus • On-line Resource Library • On-line Tutoring • School Clubs and Organizations Sites (calendar, latest news, e-mail) • Classroom Site (assignments, teacher messages, etc.) • Student Collaboration (both within and outside of the community) • Distance Learning • Class Discussions • Home/School Connections • Report Cards/Progress Reports <u>University & Adult Education</u> • Class Syllabus • Distance Learning • On-line Degree Programs • School/Class Registration • Video Conferencing • On-line, Computer-mediated Classes • Web-based Education	• Telemedicine/Remote Diagnostics Monitoring • Public Access to Healthcare Information & Education • Remote Diagnostics and Consultation • Electronic Medical Records • Lifetime Health Record • Electronic "Health Coach" • Personal Health Monitoring • Pharmaceutical Services • Clinical Services (Lab Results, Prescription Orders) • "Ask-A-Nurse" • Physician Appointments • Health Forums • Special Needs Support Groups • "Healthy Kids" (immunization records, childhood illness data, etc.) • "Active Adults" (in-home, self managed, health monitoring) • Electronic Patient Records • Medical Imaging & High-resolution Graphics (MRIs & CAT Scans) • Clinical/Financial Transactions • Health Education and Information Services • Integration to Physician Network (E-mail, Video Conferencing) • Current On-line Information • Advanced User Interface and Navigational System • Continuing Education	• Bulletin Board Notices • Electronic Voting • Home Video Access to Association Meetings • Calendaring • Community Association Database Support (for Residential Owners and Apartment Tenants, Commercial Members) • Access to Local, Regional and State Services (Tax Assessment, DMV, Public Records, County/City/State Services) • On-line Interactive Information (regarding entertainment, community affairs, local information) • Touch Screen Kiosks (with multimedia presentations of information related to Sterling on the Lake) • "Smart Card" Technology (to collect data and provide a souvenir experience to the visitors) • Job Listings • Health & Human Services • Library Services • Transportation Schedule • Community Issues Information • On-line Interactive Information (regarding entertainment, community affairs, local information) • Touch Screen Kiosks (with multimedia presentations of information related to Sterling on the Lake) • "Smart Card" Technology

3.5 Residential Structured Wiring Guidelines

Proper in-home wiring systems are just as important as plumbing or electrical systems in today's world. Wiring considerations extend not only to the capacity, quality, and proper installation of the wiring product, but also to the placement of connections throughout the residence. The Broadband Group has drafted a Residential Low-Voltage Construction Pre-Wire Guidelines document to detail the design and construction of structured wiring systems in homes within the Community. Mandated compliance with these guidelines will create a forward compatible infrastructure increasing the rate of home sales and providing a marketing differential over other regional developments.

The following are examples of features the Sterling on the Lake specifications provide for:

- Computer Resource Sharing (allows printers, files, hard drives, and modems to be conveniently shared among family members and to/from the office)
- Distribution of Video (including satellite dish or security camera signals, to all TVs in the house.)
- Integration of Disparate Home Systems (using security sensors to monitor and control lighting or temperature settings, or accessing a home control system remotely over a telephone or Internet connection)
- High-speed Data Connectivity Throughout the House (to commercial on-line services or to work systems for telecommuting applications)

Implementing the Residential Low-Voltage Pre-Wire Guidelines (RPWG©) will provide an infrastructure within the homes constructed in the Community to facilitate the delivery of advanced services, increasing consumer awareness of services, and is intended to increase consumer "take rates" of these services from participating service providers.

4.0 SCOPE OF WORK

4.1 Network Scope and Scale

The Sterling on the Lake Community will include commercial and residential development that will lead to demand for voice, video, and data services.

Key parameters that define the project include:

- Digital Video delivery network capacity equivalent to at least 80 broadcast quality television channels, including provision for direct connection of standard cable-ready televisions and support of an interactive platform.
- High-speed data access to all residential, commercial, industrial, and support facility (education, healthcare, retail, public access service locations).
- Controlled connectivity between commercial, residential, and outside network zones to facilitate the development of an on-site workforce able to work in a traditional business park setting as well as on-site residential setting.
- Telephone voice access lines capacities to ensure delivery of requested capacities (minimum design assumed @ 2.6 lines per living unit).
- High-speed data service network backbone capacity provisioned at gigabit speeds, suitable for attachment to commercial and residential local area networks operating at 10/100 megabits per second or greater.
- Community-based intranet services, including on-site web hosting.
- On-site and remote customer care, including service order fulfillment, diagnostics, repair, performance monitoring, billing, and management of interconnected services (telephone, data, and video providers).
- Management of government regulatory agencies at local, state, and federal levels.

The Sterling on the Lake Community does not specify **at this point** particular technology solutions, network architecture, customer care environment, or business configuration, and is open to proposed solutions that can meet these requirements of scale using currently available, yet state-of-the-art, technology solutions.

4.2 Specifications

Discussions with TBG and Newland Communities will focus on defining and outline proposed network features and capabilities, including services available to subscribers (that is, as offered to a potential subscriber, the number of telephone lines available, number of video channels offered, and so on). The intent of specification is to develop a mutually agreeable set of network characteristics, customer premise pre-wiring standards, customer care standards, and economic/logistic boundaries around which the network will be developed.

We intend to address how technology and operations drivers, capabilities, and limitations might impact the network's specifications. Specific individual services and service characteristics should be detailed, including actual details from the envisioned offerings for voice, video, and data services, in terms of capacity, reliability, availability, and adaptability to future evolution. The provider's vision of future service evolution and capability would be of interest, particularly where it might impact current network architecture and design requirements.

4.3 Architecture

The discussions will define and outline proposed network architecture, with the network's agreed specifications overlaid on the physical environment of The Sterling on the Lake Community. In particular, a definition of what physical facilities (buildings, wiring plant, on-site customer care and technical management offices and facilities, powering, etc.) will be required to realize the specified network and service offering.

Providers should address the interplay between the proposed technical and network solution and the physical environment of The Sterling on the Lake Community. Specific examples of network architecture include Fiber-to-the-Home, Fiber-to-the-Curb, Hybrid Fiber Coax, etc. Each of these architectural network solutions impose criteria on the detailed design to follow.

4.4 Design

The discussions will also define proposed applicable design rules that can be used to estimate construction costs, develop construction plans, and carry out construction.

In parallel with the physical network design process is customer care development, to the extent that new customer care processes are required or the provider's existing customer care processes need adaptation or extension. Additionally, we will discuss the values and levels of service that would be offered to subscribers once the network is activated.

4.5 Construction

A further discussion topic is an overview of the construction project, including methods of construction, intended placement of above ground electronics, real estate requirements (hub sites, switching facilities, head-end location), and other construction elements or requirements.

4.6 Infrastructure and Transport Options

The opportunities described herein are intended to be of interest to potential network and media service providers and related organizations. In particular, the resulting partnerships will realize a multilateral cooperation with Newland Communities or other qualified and franchised network operators, who may opt to own the network infrastructure. This ownership would provide bandwidth within the community to network providers.

Newland Communities may choose to construct and operate a conduit network within Sterling on the Lake, and may serve as the network construction partner for telecommunications services of all types. This structure means that communications service providers can focus on the provision of content, along with service-specific customer care, while having Newland Communities (or affiliated entity) construct, operate, and provide conduit. This would include access for: fiber optic networks for analog and digital applications, coaxial cable broadband distribution networks, and twisted-pair access networks applicable to voice, video, and data services.